

It's time to invest in Africa

For too long, Africa has been at the centre of negative publicity, partly promoted by foreign biased media reports and Afro-pessimists, scaring away potential investors and hampering its development. But that seems to be in the past, as European, US and Chinese investors look to Africa for lucrative investment opportunities.

China, in particular, has become economically involved with every country on the continent. Many Chinese companies - some of which are backed by the government - have made significant investments in Africa.

"They are really taking a long-term view about investing in Africa," says Louise Robinson, sales director of Database 360. "The governments of countries like China have realised that they're going to need resources from the African continent to fund their growth and consumption in the future, and they are making important infrastructure improvements on the continent as part of their ventures."

This, she says, has resulted in a situation where Chinese companies are far ahead of their South African counterparts in establishing valuable trade relations. "Those that are left behind, stay behind, and while African economies are growing, those South African companies that don't take the window of opportunity to invest in the continent will lose out to the Chinese who already have a presence everywhere."

Robinson adds that many investors have already missed the "ground-floor opportunity" in Africa. According to projections from the World Bank, nine of the 15 countries in the world with the highest rate of five-year economic growth are in Africa and with governments across Africa working to improve the business climate, there has never been a better time to invest.

Know the rules of engagement

The reason many South African companies - together with their European and American counterparts - are resistant to moving into Africa is their awareness of the challenges of trade on the continent. However, Robinson points out that engaging with African companies is simple once you know the rules of engagement.

"Doing business in Africa is different to doing business in the Westernised economies. But if you know what to expect, it's manageable. Our extensive experience across the continent has allowed us to gain a complete understanding of the mechanics of doing business in each country, and providing this knowledge in order to ease entry into a market is one of the services we offer," she explains.

Because of the idiosyncrasies of doing business in different African countries, and because of the general lack of available information, Database 360 provides a complete database and touchpoint solution, offering investors the details of decision makers across Africa as well as the necessary background and other knowledge required to enable them to effectively make contact with the right people.

"Africans are open to providing and receiving information, if you know how to approach them. We leverage our knowledge and experience across the continent in order to ensure that our clients are able to meet their goals," Robinson says.

Africa is rich in opportunities and potential. It is home to seven out of ten of the world's fastest growing economies. Despite the continent's structural problems and the relentless focus on aid and debt relief, Ghana's stockmarket was the world's third best performer last year, while Egypt topped the global table and is soaring this year too.

"In the long term, Africa provides a great opportunity, and now is the time to start investing. Those companies that wait too long will be left out in the cold as the continent's growth reaches its potential," she concludes.

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